

rupee terms and 15.49% in Dollar terms during April-December, 96 as compared to the figures of the corresponding period of the previous year.

(c) The steps taken by Government of India to boost export of handicrafts include: sponsoring of sales-cum-study teams abroad, participation in international fairs and festivals, organisation of buyer-sellers meets, annual International handicraft fair and International Carpet fair in India. Besides, the Government provides fiscal benefits to exporters which include: exemption of export income from income tax, duty drawback and import of raw wool at concessional rate of duty.

SHRI N. DENNIS : Sir it is seen that there is a considerable increase in the production and export of handicraft items and it has crossed the target..... *(Interruptions)*

MR. SPEAKER : Order, please.

SHRI N. DENNIS : Though our export has crossed the target, we should not be complacent with this because our country's share in the global market is still low despite India having a strong production base and also a large number of craftsman.

So, may I know from the hon. Minister what special and new strategies would be adopted for the enhancement of production and promotion of export of such item?

SHRI BOLLA BULLI RAMAIAH : Mr. Speaker, Sir, we have increased our production and expanded the export of handicraft items. From April, 1996 to December, 1996, there was a growth of 17.14 per cent in rupee terms and 15.49 per cent in dollar terms. In this connection, we have also arranged a number of exhibitions and fairs at Birmingham, Berlin, Tokyo, Hanover, Buenos Aires (Argentina) and Sao Paulo (Brazil). We have also organized buyer-seller meets so that they should have more important places to exchange. In lump sum, we have also provided, what is called, duty drawback, tax exemption, import concession by 10 per cent or at special rates.

We have also made some other provisions. When they asked for power supply at Muradabad, the Commerce Ministry also gave Rupees eight crore for the special line to be taken so that power interruption is not there.

These are some of the items on which we support them, in order to see that there is a considerable growth of this industry.

We have also arranged some special exhibitions on handicrafts in Azerbaijan in order to make sure that there is a more and more interaction of buyers with each other.

SHRI N. DENNIS : To achieve the target of Rs. 10,000 crore worth export of handicrafts by 2000 AD, have the government identified the non-traditional areas of new destinations or countries as new and emerging markets for the export of handicrafts? If so, may I know the promotional activities and programmes started by the Government to suit the taste and fascination of these countries?

SHRI BOLLA BULLI RAMAIAH : Sir, some of the non-traditional items like chick is there not only in Europe but

also in Buenos Aires in Argentina, Sao Paulo in Brazil and South Africa. These are all non-traditional markets. We also give double the concession for exports to these areas. In addition to that, we have also given stress that some more exhibitions should be organized. We are also arranging one-to-one discussion so that our exports are encouraged in these areas and productivity is also increased.

KUMARI MAMATA BANERJEE : Sir, may I know from the hon. Minister whether it is a fact that because of their Export Policy, the textile industry and the cotton industry is suffering? Is it a fact that because of the negligence and lacuna in the Government policy, the employees of all the NTC mills and textile mills in the country are not getting their wages and salaries?

MR. SPEAKER : This is a question about handicrafts, Mamata ji, nothing to do with the NTC.

KUMARI MAMATA BANERJEE : But they stopped subsidies, Sir.

MR. SPEAKER : Do you have anything to ask on handicrafts because this is a specific question on handicrafts and not on NTC mills?

KUMARI MAMATA BANERJEE : Handicraft is involved in the Textile Ministry.

MR. SPEAKER : It may involve the Textile Ministry, but the question here is specifically about the export of handicrafts.

..... *(Interruptions)*

KUMARI MAMATA BANERJEE : I am asking about textile exports.

MR. SPEAKER : Why do you not read the question, Mamataji?

KUMARI MAMATA BANERJEE : Because they are going to export handicrafts..... *(Interruptions)*

MR. SPEAKER : You can ask, what are the handicraft items being exported from West Bengal.

KUMARI MAMATA BANERJEE : I am not asking only for West Bengal. If I asked it, it would have been better. What I am saying is that because the Ministry is going to export handicraft textiles from the other side, they have stopped the subsidy for the countryside people for the countryside textile handicrafts. That is why NTC mills and other textile mills, all are going to be closed down and so many are already closed down. The employees are not getting even their salaries and wages.

MR. SPEAKER : I am sorry, Mamataji. Now I am moving to Question No.5. Shri B.L. Shankar.

Fifth Pay Commission

+
*5. SHRI B.L. SHANKAR :
DR. BALIRAM :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that there is a lot of discontentment amongst the Union Government employees over the recommendations of the Fifth Pay Commission;

(b) if so, whether the Government propose to ascertain the views of various sections before its implementation;

(c) if so, the details thereof;

(d) whether the Government propose to implement some of its vital recommendations like raising the retirement age, etc. immediately in view of part (b) above;

(e) if not, the reasons therefor; and

(f) the steps taken to protect the interest of employees as the report has already submitted very late ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Some associations and Unions of Central Government employees have represented to the Government against certain recommendations of the Fifth Pay Commission.

(b) and (c). The views of the employees will be ascertained through the National Council of the Joint Consultative Machinery.

(d) to (f). The Report of the Pay Commission is being examined by a Committee of Secretaries constituted for the purpose and decisions will be taken by the Government keeping in view their suggestions and the comments of the Staff Side in the National Council (JCM).

SHRI B. L. SHANKAR : The Fifth Pay Commission has created some expectations in the minds of the employees and some apprehensions in the minds of the people. I want to know from the hon. Minister whether there is any dissent note in the Fifth Pay Commission Report or whether it is a unanimous report; what is the extra expenditure that the Government of India is going to incur if it implements the Fifth Pay Commission Report; and whether the State Governments will be taken into confidence before coming to a final decision regarding the Fifth Pay Commission Report.

SHRI P. CHIDAMBARAM : To the three questions asked by the hon. Member, my answers are as follows.

Yes, one of the members of the Pay Commission has submitted a dissent note on some aspects of the Report. Secondly, the estimate that has made by the Pay Commission for a year of twelve months, together with the arrears which have to be paid for the period from 1.1.1996 to 31.3.97 is about Rs. 11,250 Crore for the Central Government. Thirdly, the Prime Minister is already on record that he will consult the Chief Ministers of the States before a final view is taken on the Pay Commission's recommendations.

SHRI B. L. SHANKAR : The hon. Minister has said that a Committee of Secretaries has been constituted. I would like to know whether any specific time frame has been given for this Committee to submit its views; whether there is a

serious objection taken by the Defence Minister and the Defence personnel regarding the recommendations of the Fifth Pay Commission; and whether it is a fact that it is biased towards the IAS at the cost of the other personnel in the Services. I want a specific commitment from the Minister as to whether the Government is going to accept the recommendations of enhancing the retirement age to sixty years or whether it will depend upon the recommendations of the Secretaries' Committee. Because it seems that the Secretaries in the Committee of Secretaries themselves will be deciding on their future age of retirement ! I want the view and the specific commitment of the Government regarding the age of retirement.

SHRI P. CHIDAMBARAM : Sir, the Committee of Secretaries will not take any decision. The Committee of Secretaries is the usual machinery in the Government to process such far-reaching recommendations and place the views before the Government. It is the Government which will take the decision.

I am in no position to make a commitment on any recommendation of the Pay Commission; nor am I in a position to offer my comment on any recommendation at this stage. The established machinery has been set in motion. The Committee of Secretaries held its first meeting on the 17th February, 1997. The Standing Council of the JCM has been called to meet on the 3rd March, 1997. The Government will take decisions on the recommendations of the Pay Commission as soon as possible.

[Translation]

DR. BALIRAM : Mr. Speaker, Sir, through you, I would like to ask from the Government, whether it is a fact that the posts of Phone Mechanic and T.T.A. were created in the Ministry of Communications recently as it was necessary in view of the modern technology and if so, whether it is also a fact that the Fifth Pay Commission has overlooked their nature of work and made no revision in their present pay scales and has recommended the same pay scales for both, technical and non-technical cadres in spite of the fact that there is a marked difference between the nature of work of these two cadres. Whether the Government would like to propose a different pay scales for non-technical posts and technical posts, such as Phone Mechanic and T.T.A. ? My second question is whether the Fourth Pay Commission had recommended different pay scales and allowances for the Jawans of several forces under the Ministry of Home Affairs such as Border Security Force, Central Industrial Security Force, Secretariat Security Force, ITBP and Central Reserve Police Force and this disparity was continued by Fifth Pay Commission also and if so, the reasons therefor? Whether the Government propose to bring parity between the pay scales and allowances of Jawans of different forces under the Ministry of Home Affairs and if so, by what time?

[English]

SHRI P. CHIDAMBARAM : Sir, the report of the Pay Commission runs into thousands of pages in three volumes. I am sure that the Pay Commission has taken into account the views of various sections of Government employees. I

am in no position to offer my comment on any recommendation of the Pay Commission at this juncture.

[Translation]

SHRI RAJESH PILOT : Mr. Speaker, Sir, the hon'ble Minister has very easily said that he is not in a position to offer his comment but through you, I would like to bring to his notice that he may offer his comments whenever he is in a position to comment, but he should keep this fact in his mind that people have stopped joining the Defence Forces for the last 8-10 years.

[English]

Especially, in the case of Commissioned Officers. There was a day when there was a line on the date of selection. I mentioned here in this House when Shrimati Indira Gandhi was the Prime Minister that in 1960 people used to give advertisements in newspapers, 'Wanted a match for so and so, preferably a military officer or a service officer' and now a day would come when they would say 'Service officers need not apply'. I mentioned it in 1982. The attraction was that their stature and everything was looked upon.

Slowly, deterioration has come in. There is a resentment among the Services that their case has not been taken up to their value. There is a resentment. I would like to bring to your notice a simple fact. For Air Force pilots, through the recommendations of the Fifty Pay Commission, flying bounty has been enhanced by three times. In the same Government, the BSF pilot who flies for the same Government in the same manner gets much higher than him, I think about Rs. 30,000 or so at Rs. 600 per hour or so. But the Air Force pilots get Rs. 3,500 as flying bounty. You take the case of the Indian Airlines pilots. Pilots who have left Air Force to join Air Indian draw Rs. 1,20,000 a month. These anomalies will bring down the morale of the Air Force and the Defence Forces.

Similar is the case with the Paramilitary Forces. You would be surprised to know this. There are two soldiers.....(Interruptions)

MR. SPEAKER : I think Shri Pilot, we are not debating this issue.

SHRI RAJESH PILOT : There are two soldiers staying in the same barrack, one is from the Army and the other is from the BSF. The BSF soldier pays the electricity bill and the bulb charges but the Army soldier does not pay for it. Such anomalies should be removed. I think, whenever the hon. Minister is in a position to take a decision, he would please keep this in mind and see that the Defence Forces are looked after well.

MR. SPEAKER : It is a very good suggestion.

SHRI SONTOSH MOHAN DEV : People from the Services are resigning and coming to politics, even in this House. Will you take all these things into account? This is what is happening.

SHRI RUPCHAND PAL : The present Government is committed to employment generation or creation of more employment. In view of the fact that a large chunk of the recommendations made by the Fifth Pay Commission will ultimately result in reduction of employment opportunities

in the country, there is a widespread apprehension in the minds of different sections of the people, particularly Group D employees working in the Administration, that it will create a situation where there will be imbalance, distortion and discrimination in the whole administrative set up and that ultimately it will lead to reduction of the workforce in the Administration of the country which will go counter to the commitment of this Government.

May I know from the hon. Finance Minister as to whether this Government will reiterate its commitment to employment generation and protection of the interests of the people belonging to the lower strata, the weaker sections, SC/STs and the poorest sections? If so, how do they propose to fulfil their commitment regarding employment protection and employment generation?

SHRI P. CHIDAMBARAM : This Government remains committed to increasing productive employment. The recommendations of the Pay Commission have to be taken as a whole. We will not, in any way, jeopardise the interests of the poorer sections of the society among whom there is a legitimate aspiration for a certain number of people – to join the Government service. All these views will be kept in mind while taking a decision, and I am sure that the hon. Member and his Party will have a say before the Government takes a decision.

[Translation]

SHRI SHATRUGHAN PRASAD SINGH : Mr. Speaker, Sir, I want to know from the Government that whenever Pay Commission is set-up, why does it take years and years together to submit its report? Do you prescribe any time-limit for the Committees within which they should finish their task? By what time you are likely to implement the recommendations of Fifth Pay Commission? Whether you have got any time bound programme in this respect. Prices are soaring-up day-by-day. It is becoming very-very difficult for the salaried class to manage their bread. I would like the Government to let us know the time by which they are going to take a decision on the report of Fifth Pay Commission so that the resentment breeding among the Government employees could be removed.

KUMARI MAMATA BANERJEE : There should be a full-fledged discussion on this subject.

[English]

SHRI P. CHIDAMBARAM : How can we discuss it now?

MR. SPEAKER : The Budget is coming; we will discuss it while discussing the Budget.

SHRI P. CHIDAMBARAM : The Third Pay Commission took two years and eleven months to give its report. The Fourth Pay Commission took two years and eleven months to give its report. The Fifth Pay Commission took two years and ten months to give its report. I do not think, it is fair to say that the Fifth Pay Commission has taken an extraordinarily long time.

Secondly the Government took decisions on the Third Pay Commission in a space of about eleven months. In respect of the Fourth Pay Commission, it was my privilege to be the Minister of Personnel at that time – we took the decision in eight months and thirteen days. We will try to do better this time.

[Translation]

SHRI SHATRUGHAN PRASAD SINGH : Mr. Speaker Sir, the hon'ble Minister did not tell us that how much time will be taken in it.....(Interruptions)

[English]

SHRI P. NAMGYAL : Thank you very much. The Third and Fourth Pay Commissions have always..... (Interruptions)

MR. SPEAKER : People who know about the Pay Commission need not get a chance to put questions.

SHRI P. NAMGYAL : Sir, the Government employees posted in the difficult areas or hilly areas, particularly in the North-Eastern region, Ladakh and same other such areas have always been neglected by the recommendations of the Third and the Fourth Pay Commissions. The same thing again has been repeated by the recommendations of the Fifty Pay Commission in respect of their pay and allowances. The employees who are posted in these areas get less emoluments as compared to the employees who are posted in and around the cities in the country. I would like to know from the hon. Minister whether the question of giving more allowances and emoluments to these employees who are posted in the difficult areas would be looked into or not.

Further, in part (b) of your written reply, it has been mentioned that the views of the employees will be ascertained through the National Council of the Joint Consultative Machinery. In this context, I would like to know from the hon. Minister whether or not this issue would be referred to this Committee as well as to the Committee of Secretaries for redressal of their grievances.

SHRI P. CHIDAMBARAM : Let me explain the procedure in one sentence. This is the established procedure. There is a Standing Council of the Joint Consultative Machinery (JCM). The entire Pay Commission's report is given to the JCM. In the JCM, the staff side discusses with the Secretaries of the Government and the Committee of Secretaries will then make their recommendation to the Government. I have no doubt in my mind that every section of the Government employees will have an opportunity to make their comments on the Pay Commission's report through the machinery of the JCM.

Sir, may I also take this opportunity to say that pending the Pay Commission's Report, the Government has released three instalments of Interim Relief to serving Government employees, three instalments of Interim Relief to all pensioners, and has also passed orders for treatment of Dearness Allowance as Dearness Pay. Total package so far has been worth Rs. 3,656 crore.

[Translation]

SHRI RAM KRIPAL YADAV : Mr. Speaker, Sir, we are discussing about the salaries of the Government employees but what about our own salaries?

MR. SPEAKER : You have raised the actual point.

Steps To Strengthen Co-operative Banks

*6. SHRI VISHVESHWAR BHAGAT : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have formulated any scheme to strengthen the capital base of Co-operative banks on the pattern of commercial and rural banks;

(b) if so, the details thereof; and

(c) if not the time by which the said scheme is likely to be formulated?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c). Unlike Public Sector Commercial Banks and Regional Rural Banks where the Central Government directly contributes to the share capital, shareholding of State Co-operative Banks and District Co-operative Banks is contributed by their members and the State Government. To some extent, National Bank for Agriculture and Rural Development, (NABARD) assists State Governments towards contributions to the share capital of District and State level Co-operative Banks. The loans sanctioned and disbursed by NABARD during the last three years were as under :

	(Rs. crores)	
	Loans Sanctioned	Loans disbursed
1993-94	39.01	30.51
1994-95	73.03	74.91*
1995-96	100.14	107.78*

* Including loans sanctioned for previous year.

For the year 1996-97, applications aggregating Rs. 174 crores have been received from various state Governments and are being scrutinized by NABARD.

[Translation]

SHRI VISHVESHWAR BHAGAT : Mr. Speaker, Sir, the Cooperative Banks were set-up with an objective to achieve development of 80 per cent rural area but so far these banks have not been able to achieve their goals. I want to know from the hon'ble Minister as to what is the latest state-wise position of these cooperative Banks and what contribution can be made by the Central Government to strengthen the capital base of these banks. Now we can see that the amount of assistance disbursed by the NABARD during the years 1993-94, 1994-95 and 1995-96 was far less than the actual requirements of the different states. I therefore, would like the hon'ble Minister to let us know as to what measures the Government propose to take to strengthen the capital base of these banks on whose shoulder lies the responsibility of all round development of rural areas.

[English]

SHRI P. CHIDAMBARAM : Sir, cooperative banks fall within the purview of the State Governments. The owner-